

**MINUTES OF REGULAR MEETING
OPEN SESSION
December 15, 2011
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, December 15, 2011 a Regular Meeting of the Illinois Gaming Board (“Board”) was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Thursday, December 15, 2011 at approximately 10:00 A.M. the following Board members were present: Chairman Jaffe, Members Z. Scott, Maribeth Vander Weele, Michael Holewinski and Lee Gould. At 10:15 A.M. on Thursday, December 15, 2011, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Vander Weele moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today’s agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees;**
3. **Pending litigation; and**
4. **Closed session minutes.**

Member Gould seconded the motion. The Board approved the motion unanimously by voice vote.

The Board remained in Closed Session until approximately 12:38 P.M. at which time the Board and staff went into Closed Session for video gaming. Present were the following: Chairman Jaffe, Members Z. Scott, Maribeth Vander Weele, Michael Holewinski and Lee Gould.

APPROVAL OF MINUTES

- Dissemination of Closed Session Minutes – January, 2011 – June, 2011

Member Gould moved to **make available for public inspection all portions of closed session minutes of the Illinois Gaming Board from January, 2011 through June, 2011 for which the need for confidentiality no longer exists.** Member Holewinski seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR’S REPORT – no motion

Administrator Ostrowski reviewed the year of 2011. The following is a brief synopsis of his review:

Assisted in collecting slightly over \$376M in tax revenue in FY “11”.

Assisted in distributing \$80M in revenue to local municipalities.

Assisted in getting the 10th license operational after years of litigation.

Renewed the Owner's License of Casino Rock Island, Hollywood Casino Joliet, Harrah's Joliet, and Argosy Alton.

Approved Delaware North as the new owner of Casino Rock Island.

Approved 4 new suppliers, renewed 8 existing suppliers.

Issued licenses to 2,335 Occupational License Level 3's, 1,507 Occupational License Level 2's, 16 Occupational License Level 1's and 101 Key persons.

Denied 36 Occupational applications for license.

SEP Program - 8,643 persons are enrolled in the SEP program, 696 new enrollments in calendar year 2011.

Continued to stress the importance of making opportunities available to everyone and encourage various supplier diversity fairs such as the Chicago Business Opportunity Fair and the supplier diversity fair at Par-A-Dice Casino.

Issued a total of 29 Disciplinary Complaints.

797 Criminal investigations and 786 arrests for the year 2011.

BOARD POLICY ITEMS –

- **2012 Board Meeting Dates**

The following meeting dates for the calendar year of 2012 were approved:

Wednesday, January 18, 2012 and Thursday, January 19, 2012
Wednesday, February 15, 2012 and Thursday, February 16, 2012
Wednesday, March 14, 2012 and Thursday, March 15, 2012
Wednesday, April 18, 2012 and Thursday, April 19, 2012
Wednesday, May 16, 2012 and Thursday, May 17, 2012
Wednesday, June 20, 2012 and Thursday, June 21, 2012
Wednesday, July 18, 2012 and Thursday, July 19, 2012
Wednesday, August 15, 2012 and Thursday, August 16, 2012
Wednesday, September 19, 2012 and Thursday, September 20, 2012
Wednesday, October 17, 2012 and Thursday, October 18, 2012
Wednesday, November 14, 2012 and Thursday, November 15, 2012
Wednesday, December 19, 2012 and Thursday, December 20, 2012

OWNER LICENSEE ITEMS

- Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino – Des Plaines – Ownership Approval

Based on a review of staff's investigation and recommendation Member Holewinski moved **to approve the following entities, that intend to own interest in Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino – Des Plaines through High Plains Gaming, LLC.**

- 1. HPG Investors, LLC; and**
- 2. Carlin Dynasty Trust**

Member Holewinski further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC and the issuance of interests to High Plains Gaming, LLC consistent with the financing documents previously provided to the Board.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino – Des Plaines – CRW 2011 Trust - Owner

Based on a review of staff's investigation and recommendation, Member Vander Weele moved **to approve the following trust, that intend to indirectly own interests in Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino – Des Plaines through Casino Investors, LLC.**

- 1. CRW 2011 Trust**

Member Vander Weele further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino – Molly K. Daniell, Internal Auditor, Level One

Based on staff's investigation and recommendation, Member Gould moved **that the Board approve Molly K. Daniell as an Occupational Licensee Level One in the position of Internal Auditor for Midwest Gaming and Entertainment, LLC d/b/a Rivers Casino in Des Plaines, Illinois.** Member Jaffe seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino – Eric D. Jokisch, Internal Audit Manager, Level One

Based on staff's investigation and recommendation, Member Holewinski moved **that the Board approve Eric D. Jokisch as an Occupational Licensee Level One in the position of Internal Audit Manager for Midwest Gaming and Entertainment, LLC d/b/a Rivers Casino in Des Plaines, Illinois.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Des Plaines Development Limited Partnership (DDLPP) d/b/a Harrah's Joliet Casino & Hotel – Daemon Laronn Smith, Security Manager – Level One

Based on staff's investigation and recommendation, Member Vander Weele moved **that the Board approve Daemon Laronn Smith as an Occupational Licensee Level One in the position of Security Manager for Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino & Hotel in Joliet, Illinois.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Elgin Riverboat Resort d/b/a Grand Victoria Casino – Scott Alan Szybalski, Director of Finance – Level One

Based on staff's investigation and recommendation, Member Gould moved **that the Board approve Scott Alan Szybalski as an Occupational Licensee Level One in the position of Director of Finance for Elgin Riverboat Resort d/b/a Grand Victoria Casino in Elgin, Illinois.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- The Rock Island Boatworks, Inc. d/b/a Jammers Casino & Hotel – Joseph Hargis, Director of Security – Level One

Based on staff's investigation and recommendation, Member Holewinski moved **that the Board approve Joseph Hargis as an Occupational Licensee Level One in the position of Director of Security for The Rock Island Boatworks, Inc. d/b/a Jammers Casino & Hotel in Rock Island, Illinois.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

SUPPLIER LICENSEE ITEM

- H. Betti Industries, Inc. d/b/a Betson Enterprises– License Renewal

Based on a review of staff's investigation and recommendation, Member Vander Weele moved **that the Board renew the Supplier's license of H. Betti Industries, Inc., d/b/a Betson Enterprises retroactive to November, 2011 for a term of four (4) years, expiring in November, 2015.**

Staff further recommends the following be designated and approved as Key Persons of H. Betti Industries, Inc. d/b/a Betson Enterprises:

1. **Chief Executive Officer;**
2. **President;**
3. **Chief Operating Officer;**
4. **Peter Betti;**
5. **Robert Betti;**
6. **Joseph Betti; and**
7. **Robert Geschine.**

Further, Member Vander Weele moved **that the Board approve H. Betti Industries, Inc. d/b/a Betson Enterprises to supply the following to Illinois Owner Licensees:**

1. **LCD/LED/CCFL Monitors;**
2. **Bill Validators; and**
3. **Touchscreens.**

Member Holewinski seconded the motion. The Board approved the motion unanimously by roll call vote.

- **JCM American Corporation – License Renewal**

Based on a review of staff's investigation and recommendation, Member Gould moved **that the Board renew the Supplier's License of JCM American Corporation retroactive to November, 2011 for a term of four (4) years expiring in November 2015.**

Staff further recommends the following be designated and approved as Key persons of JCM American Corporation:

1. **Japan Cash Machine Co., Ltd.;**
2. **Johto Investment & Development, Inc. (Joto Kosan Co. Ltd.);**
3. **Chairman of the Board, Japan Cash Machine Co. Ltd.;**
4. **President, Japan Cash Machine Co. Ltd.;**
5. **President, JCM American Corporation;**
6. **Koichiro Kamihigashi;**
7. **Yojiro Kamihigashi; and**
8. **Akiyoshi Isoi.**

Member Gould further moved **that JCM American Corporation be authorized to manufacture and sell bill validators to Illinois Owner Licensees.** Member Holewinski seconded the motion. The Board approved the motion unanimously by roll call vote.

- Patriot Gaming & Electronics, Inc. – License Renewal

Based on a review of staff's investigation and recommendation, Member Holewinski moved **that the Board renew the Supplier's License of Patriot Gaming & Electronics, Inc. for a term of four (4) years expiring in December 2015.**

Staff further recommends the following be designated and approved as Key Persons of Patriot Gaming & Electronics, Inc.:

1. **President; and**
2. **Mark E. Komorowski.**

Member Holewinski further moved **that Patriot Gaming & Electronics, Inc. be authorized and approved to supply parts, equipment and gaming related supplies to Illinois Owner Licensees.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s

- Based on staff's investigation and recommendation, Member Vander Weele moved **that the Board find suitable and approve 66 applications for an Occupational License, Level 2, and 75 applications for an Occupational License, Level 3.**

Further, Member Vander Weele moved **that the Administrator issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial of their license applications and either did not respond or did not provide additional information which rebutted the recommendations:**

1. **Gordon E. Carter;**
2. **Norberto Cruz;**
3. **Larry J. Gardner;**
4. **Anthony O. Wells;**
5. **Cameron A. Hope;**
6. **Katrina M. Johnson;**
7. **Jajuan D. Phillips; and**
8. **Michael A. Rice.**

Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Based on staff's investigation, Member Vander Weele moved **that the Board find Joselito Rivera suitable for licensing and approve his application for an Occupational License, Level 3.** Member Holewinski second the motion. Chairman Jaffe was in favor of the motion. Member Gould opposed the motion. The motion passed 3 to 1.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS –

- Dennis L. Gladkin – Occupational Licensee

Based on staff's investigation and recommendation, Member Holewinski moved **that the Board issue a Disciplinary Complaint against Dennis L. Gladkin, an Occupational Licensee, due to his admission of stealing currency from The Rock Island Boatworks d/b/a Jumer's Casino & Hotel's main bank cage.**

Further, Member Holewinski moved **that the Board revoke Dennis L. Gladkin's Occupational License. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE HEARING/ALJ REPORT

- Request for Hearing

Based on the review of staff's investigation and recommendation, Member Vander Weele moved **that the following individuals' requests' for a hearing be denied based on the fact that the individuals have offered no facts that establish a prima facie case:**

1. **Jorge D. Casiano;**
2. **Oronzo DiFronzo;**
3. **Timothy Keith Evitts;**
4. **Francesco Masellis;**
5. **Christopher Nowak;**
6. **Jerry W. Reaves;**
7. **Neo Skywalker;**
8. **Phillip Weinberg; and**
9. **David A. Zimmerman.**

Member Holewinski seconded the motion. The Board approved the motion unanimously by roll call vote.

At 3:55 P.M. Chairman Jaffe motioned to adjourn and Member Holewinski seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator